

HOUSE BILL 726

C1, Q2

2lr0641

By: **Montgomery County Delegation**

Introduced and read first time: February 8, 2012

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 20, 2012

CHAPTER _____

1 AN ACT concerning

2 **Montgomery County – Property Tax Credit – Benefit Corporations and**
3 **Benefit Limited Liability Companies**

4 **MC 13–12**

5 FOR the purpose of authorizing the governing body of Montgomery County to grant,
6 by law, a tax credit against the county property tax imposed on certain property
7 owned or leased by certain benefit corporations or benefit limited liability
8 companies; authorizing the governing body of Montgomery County to provide,
9 by law, for eligibility and certification criteria for the credit, the amount and
10 duration of the credit, certain regulations and procedures for the credit, limited
11 amount of the tax credit granted, and any other provision necessary to carry out
12 the credit; defining certain terms; providing for the application of this Act; and
13 generally relating to a property tax credit in Montgomery County for certain
14 benefit corporations and benefit limited liability companies.

15 BY repealing and reenacting, without amendments,
16 Article – Corporations and Associations
17 Section 4A–1101(a) and (b), 4A–1103(a), 5–6C–01(a) and (b), and 5–6C–03(a)
18 Annotated Code of Maryland
19 (2007 Replacement Volume and 2011 Supplement)

20 BY adding to
21 Article – Tax – Property
22 Section 9–317(g)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2007 Replacement Volume and 2011 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That the Laws of Maryland read as follows:

5 **Article – Corporations and Associations**

6 4A–1101.

7 (a) In this subtitle the following words have the meanings indicated.

8 (b) “Benefit limited liability company” means a Maryland limited liability
9 company that elects to be a benefit limited liability company in accordance with §
10 4A–1103 of this subtitle and has not ceased to be a benefit limited liability company
11 through the operation of § 4A–1105 of this subtitle.

12 4A–1103.

13 (a) A limited liability company may elect to be a benefit limited liability
14 company under this subtitle by including in its articles of organization a statement
15 that the limited liability company is a benefit limited liability company.

16 5–6C–01.

17 (a) In this subtitle the following words have the meanings indicated.

18 (b) “Benefit corporation” means a Maryland corporation that elects to be a
19 benefit corporation in accordance with § 5–6C–03 of this subtitle and has not ceased to
20 be a benefit corporation through the operation of § 5–6C–04 of this subtitle.

21 5–6C–03.

22 (a) A corporation may elect to be a benefit corporation under this subtitle by
23 amending or including in the charter of the corporation a statement that the
24 corporation is a benefit corporation.

25 **Article – Tax – Property**

26 9–317.

27 **(G) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**
28 **THE MEANINGS INDICATED.**

29 **(II) “BENEFIT CORPORATION” MEANS A MARYLAND**
30 **CORPORATION THAT ELECTS TO BE A BENEFIT CORPORATION AND COMPLIES**

1 WITH TITLE 5, SUBTITLE 6C OF THE CORPORATIONS AND ASSOCIATIONS
2 ARTICLE.

3 (III) "BENEFIT LIMITED LIABILITY COMPANY" MEANS A
4 MARYLAND LIMITED LIABILITY COMPANY THAT ELECTS TO BE A BENEFIT
5 LIMITED LIABILITY COMPANY AND COMPLIES WITH TITLE 4A, SUBTITLE 11 OF
6 THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

7 (2) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY
8 GRANT, BY LAW, A PROPERTY TAX CREDIT UNDER THIS SUBSECTION AGAINST
9 THE COUNTY PROPERTY TAX IMPOSED ON REAL OR PERSONAL PROPERTY THAT
10 IS:

11 (I) OWNED OR LEASED BY A BENEFIT CORPORATION OR
12 BENEFIT LIMITED LIABILITY COMPANY;

13 (II) NOT USED FOR RESIDENTIAL PURPOSES; AND

14 (III) USED IN A TRADE OR BUSINESS BY A BENEFIT
15 CORPORATION OR BENEFIT LIMITED LIABILITY COMPANY.

16 (3) THE GOVERNING BODY OF MONTGOMERY COUNTY MAY
17 PROVIDE, BY LAW, FOR:

18 (I) CRITERIA FOR ELIGIBILITY AND CERTIFICATION FOR
19 THE TAX CREDIT;

20 (II) THE AMOUNT OF THE TAX CREDIT;

21 (III) THE DURATION OF THE TAX CREDIT, FOR A PERIOD NOT
22 TO EXCEED 10 YEARS;

23 (IV) REGULATIONS AND PROCEDURES FOR THE
24 APPLICATION, CERTIFICATION, AND UNIFORM PROCESSING OF REQUESTS FOR
25 THE TAX CREDIT;

26 (V) LIMITED AGGREGATE AMOUNTS OF TAX CREDITS
27 GRANTED UNDER THIS SUBSECTION; AND

28 (VI) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE
29 TAX CREDIT UNDER THIS SUBSECTION.

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1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2012, and shall be applicable to all taxable years beginning after June 30,
3 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.